



Southeastern Idaho News

BANNOCK, BEAR LAKE, BINGHAM, CARIBOU, FRANKLIN, ONEIDA & POWER COUNTIES

ECONOMIC TRENDS

After the busy holiday season in November and December, winter weather conditions and a lack of major economic events drove the Pocatello Metropolitan Statistical Area's seasonally adjusted unemployment rate up one-tenth of a percentage point to 3.5 percent.

Nonfarm payroll jobs over the month fell by 1,130 in retail trade, professional and business services, and government administration. These losses occurred because the busy holiday shopping season ended, some construction and temporary parks and recreation jobs ended and because winter weather slowed other activities. Hiring for winter recreation jobs in leisure and hospitality was offset by losses of summer recreation jobs.

Over the year, the MSA's seasonally adjusted unemployment rate fell nine-tenths of a percentage point – from 4.4 percent and in January 2005 to 3.5 percent in January 2006. The area also generated 800 jobs over the year. Most were created in the service-providing industries with a gain of 670 jobs. While the goods-producing industries have far fewer jobs, there was still an impressive gain of 140 jobs over the year. Retail trade and health services created the most jobs over the year with the addition of several new retail stores and medical

Southeastern Idaho Table 1: Pocatello MSA Labor Force & Employment
Bannock and Power counties

	Jan 2006*	Dec 2005	Jan 2005	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	44,080	45,370	44,280	-2.8	-0.5
Unemployment	1,540	1,540	1,970	0.0	-21.8
% of Labor Force Unemployed	3.5	3.4	4.4		
Total Employment	42,540	43,830	42,310	-2.9	0.5
Unadjusted					
Civilian Labor Force	44,740	45,330	44,890	-1.3	-0.3
Unemployment	1,980	1,480	2,370	33.8	-16.5
% of Labor Force Unemployed	4.4	3.3	5.3		
Total Employment	42,760	43,850	42,520	-2.5	0.6
JOB BY PLACE OF WORK					
Nonfarm Payroll Jobs** - NAICS	38,400	39,530	37,600	-2.9	2.1
Goods-Producing Industries	5,500	5,650	5,360	-2.7	2.6
Natural Resources & Mining	20	20	20	0.0	0.0
Construction	2,120	2,230	1,970	-4.9	7.6
Manufacturing	3,360	3,400	3,370	-1.2	-0.3
Food Manufacturing	940	940	960	0.0	-2.1
Fabricated Metal Product Manufacturing	140	150	160	-6.7	-12.5
Machinery Manufacturing	80	80	80	0.0	0.0
Other Manufacturing	2,200	2,230	2,170	-1.3	1.4
Service-Providing Industries	32,910	33,880	32,240	-2.9	2.1
Trade, Transportation & Utilities	7,300	7,630	7,080	-4.3	3.1
Wholesale Trade	1,340	1,360	1,280	-1.5	4.7
Retail Trade	4,530	4,790	4,320	-5.4	4.9
Utilities	50	50	50	0.0	0.0
Transportation & Warehousing	1,380	1,430	1,430	-3.5	-3.5
Information	760	770	690	-1.3	10.1
Financial Activities	2,140	2,130	2,050	0.5	4.4
Professional & Business Services	4,790	5,140	4,610	-6.8	3.9
Educational & Health Services	3,400	3,420	3,160	-0.6	7.6
Leisure & Hospitality	3,280	3,280	3,430	0.0	-4.4
Other Services	1,190	1,190	1,200	0.0	-0.8
Government Education	5,680	5,640	5,680	0.7	0.0
Government Administration	4,370	4,680	4,340	-6.6	0.7

*Preliminary Estimate

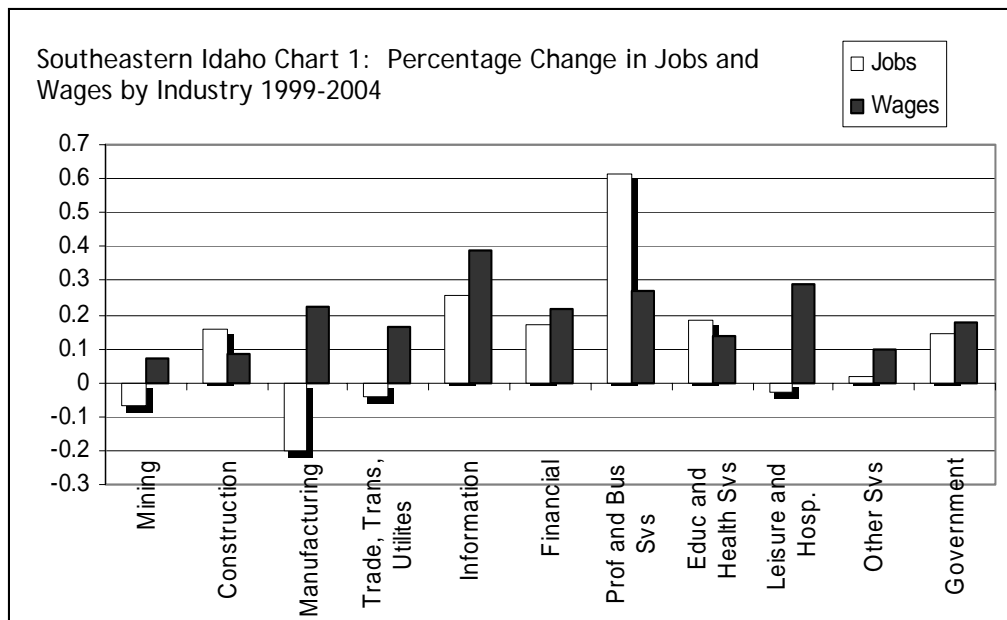
**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

Southeastern Idaho Table 2: Annual
Unemployment Rates

County	2003	2004	2005
Bannock	5.1%	4.7%	3.7%
Bear Lake	5.4%	4.7%	3.9%
Bingham	4.5%	4.4%	3.8%
Caribou	6.5%	6.8%	5.4%
Franklin	4.1%	3.9%	3.1%
Oneida	3.7%	3.1%	2.5%
Power	6.7%	6.1%	4.3%

clinics in the area. The construction of these facilities also added 150 construction jobs.

Southeastern Idaho Table 2 shows the annual average unemployment rates for each of the seven southeastern counties from 2003 to 2005. Every county experienced progressively lower unemployment rates over the three-year period. The natural resource-based economy in Caribou County continues to have the highest unemployment rate of the seven-county area. Job losses in mining and manufacturing have led to job losses in other sectors, but the economy is showing signs of recovery with the rate falling in 2005 from 2004. All other southeastern Idaho



counties are at or below 4.5 percent — the rate that is considered full employment.

In January, the Idaho Economic Summit 2006 in Boise brought together many business people, elected representatives, government officials and education leaders who heard about the economy, future trends that will likely impact the economy and possible strategies for Idaho's future. The southeastern region has undergone a tremendous transition. Structural changes have occurred in the area's industrial base. Southeastern Idaho Chart 1 shows the change in jobs and wages by industry since 1999. While traditional goods-producing jobs have decreased, new service-providing jobs have evolved.

Since 1999, jobs in construction and manufacturing have steadily declined from nearly 8,000 in 1999 to just over 6,000 in 2004.

Between 1999 and 2004, the number of service-providing jobs has increased from just over 43,000 to more than 48,000.

The result of these changes has left many workers wondering how they fit into the new economy and many businesses wondering how they will find skilled workers.

In the past, workers who lost their jobs simply found another job in the same or a similar industry. Today if workers lose their jobs, it's likely they will have to find a job in a different industry that typically requires completely different skills. The changing economy has impacted the skills needed in the workplace. Skill shortages exist when employers have difficulty filling, or are unable to fill, vacancies for an occupation. Skill shortages occur because:

- the technology used in an industry changes,
- new technologies emerge,
- old industries move into different regions with a different skill base,

- job seekers' interest in industries and occupations change.

The southeastern region has an ample skilled and ethical workforce, yet there is difficulty matching emerging jobs with worker's skills. Historically low unemployment throughout the region has created worker shortages in high demand occupations such as retail trade, leisure and hospitality. Skill shortages have occurred and are predicted in:

- engineering and science,
- computer systems and mathematics,
- healthcare,
- specialty trades construction and project management,
- manufacturing and specialty welding.

The transition from an industry-based economy to a knowledge/information-based economy has changed the skill sets required to be successful in the work force. Employers report workers have inadequate problem-solving skills and insufficient reading, writing and communication skills.

The emerging labor market needs entry level worker preparation. Incumbent worker training will become increasingly important. Curricula must be targeted and specialized to meet the demand for skills. One of the area's biggest challenges is to retain talented and educated youth. These youth leave the area because jobs are not available, for better wages and opportunities elsewhere and for social reasons. To maintain a future work force, this trend must be reversed.

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